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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

DCI/IC 55/5-82/1

June 12, 1980

HEADS OF DEPARTMENTS AND AGENCIES:

SUBJECT: AUDIT OF UNVOUCHERED EXPENDITURES

This is to advise you of the impact of recent legislation on your agency. The General Accounting Office Act of 1980, signed into law by The President on April 3, 1980, makes various amendments to the law regarding the General Accounting Office's operations. One of the provisions of this act specifically assigns to the General Accounting Office responsibility and authority for examining unvouchered accounts used by Federal agencies. Unvouchered accounts are those from which expenditures are normally accounted for solely on the approval, authorization, or certificate of an official of an executive agency. The purpose of the examinations will be to determine whether expenditures from such accounts are for authorized purposes.

The law allows The President to exempt certain expenditures from the examinations. Those activities which believe that some of their expenditures qualify for the exemption should now take steps necessary to obtain them in order to minimize questions raised during the course of our examinations.

Accordingly, you should take appropriate actions to insure that your organization maintains adequate records and accounts for its unvouchered expenditures. In general, we would expect agencies to keep records over these accounts similar to those maintained over regular financial transactions and accounts.

We recognize that there may be unusual requirements for confidentiality over certain transactions and that special accounting procedures may have to be developed to maintain confidentiality. We would be pleased to work with agencies in developing such procedures. If this type of assistance is required, it should be requested now to prevent delays later. Such requests should be directed to D. L. Scantlebury, Director, Division of Financial and General Management Studies.

You may be sure that the General Accounting Office is aware of the sensitive nature of such funds. In this regard, your attention is invited to the fact that the General Accounting Office Act of 1980 specifically prohibits the General Accounting Office from disclosing information obtained during the course of such examination except under circumstances specified in the law. Our personnel conducting the examinations will, of course, have the appropriate level of security clearance.

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In the event accounts from your agency are selected for audit, the General Accounting Office will formally notify you in advance so that appropriate and convenient arrangements can be made with a minimum of disruption to your staff's work schedule.

Sincerely yours,

Comptroller General
of the United States

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